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From: Charles Breece [<mailto:breecec@clemson.edu>]
Sent: Sunday, October 13, 2013 3:32 PM
To: Campbell, Chad
Cc: Charles Breece
Subject: Application of Utilities Services of South Carolina, Inc. for Adjustment of Rates and Charges.
Docket No. 2013-201-WS

Mr. Campbell, I'm forwarding a letter to you that I sent to Representative Bowen last week regarding Utilities Inc. request for a rate increase. As I stated in the letter, I regret I was not prepared to speak at the hearing in Anderson, but would like for these comments to be considered.

Sincerely,
Charles Breece
Anderson, SC

From: Charles Breece
Sent: Tuesday, October 08, 2013 2:25 PM
To: DonBowen@schouse.gov
Cc: Charles Breece
Subject: Application of Utilities Services of South Carolina, Inc. for Adjustment of Rates and Charges.
Docket No. 2013-201-WS.

October 8, 2013

The Honorable Don C. Bowen
Post Office Box 11867
Columbia, S.C. 29211-1867

Dear Representative Bowen:

My name is Charles Breece and I reside at 137 Shannon Drive in Anderson, South Carolina. I am a US Navy Veteran and I have worked at Clemson University for the last 25 years.

I am writing you today in regards to the "Application of Utilities Services of South Carolina, Inc. for Adjustment of Rates and Charges." Docket No. 2013-201-WS.

I regret that I was not prepared to make a statement at the hearing before the Public Service Commission on Tuesday, October 1, 2013 at Northpoint elementary school, but wish my comments to be considered along with the comments from the residents of the subdivisions in Anderson County, SC who presented their statements that evening.

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ATTORNEY GENERAL

Thank you for taking the time to attend the hearing and your statement to the Public Service Commission board.

The residents expressed concerns with several issues including poor customer service, low water pressure, dirty or discolored water and in some cases other poor water quality. These are all legitimate concerns but none of these issues are unique to the water systems in our communities owned by Utilities Inc. These water systems are in mostly older communities and public water utility providers throughout the country are faced with these same issues, how to address deteriorating infrastructure installed decades ago. Fortunately water pipes do tend to last for many years, but sooner or later these pipes will have to be replaced in neighborhoods throughout the country. My wife and I have lived in Clearview subdivision for 21 years and other than occasional repairs on the water system in our community when leaks occur, I do not know of any significant upgrades or maintenance to the water lines in Clearview subdivision.

So why are our rates so high? This leads me to my point, the requested rate increase. All of the residents at the hearing expressed concerns about how much they pay for their water. Utilities Inc. does not operate the water pumps or the treatment plants; they are simply a reseller who purchases water from the local water company and then sends the water through the existing pipes they own to the residents at a rate 2-3 times more than the other local water providers charge. Much like a gas station on one side of the street charging \$6 per gallon and the station on the opposite side is charging \$3 per gallon, everyone would go the \$3 per gallon station, but in our case we can't go to the lower cost station, we have to buy the \$6 per gallon gas (in this case water), for reasons I do not fully understand, in this state Utilities Inc. has no competition and they can set their own rates. Isn't there something our state regulatory or other state agency can do to limit what the water utility company can charge compared to the other water service providers in the region? I'm not opposed to paying more for a service if I was getting something more in return, but in this case we are not. I do not know when Utilities Inc. purchased the rights to the water systems around Anderson County, so I do not know the circumstances surrounding those purchases, but it's not hard to figure out why companies like Utilities Inc. want to acquire aging water systems in rural communities, they are a gold mine. They're making huge returns on their investment because all they do is resell the water an inflated rate and reap the profits, while doing little or nothing to improve the system. I understand free enterprise and making money is why companies are in business, but aren't public utilities supposed to be protected from predatory companies who take advantage of the residents particularly when we have no choice in the service provider?

Please also consider that a company like Utilities Inc. has no stake in our community; they could care less about the struggling young family or retired couple on a fixed income trying to pay these ridiculous water rates. Please help us by encouraging the Public Service Commission to deny this proposed rate increase. Only by reducing Utilities Inc. profit margin would they ever

consider selling their assets to the local companies who have a vested interest, families and relatives who live in these communities. It's scary to think what the water rates will be for our children and grandchildren if predatory companies like Utilities Inc. are not discouraged from owning and operating our rural utility systems.

I appreciate your interest in this issue, thank you for your time and for attending the hearing.

Sincerely,

Charles Breece